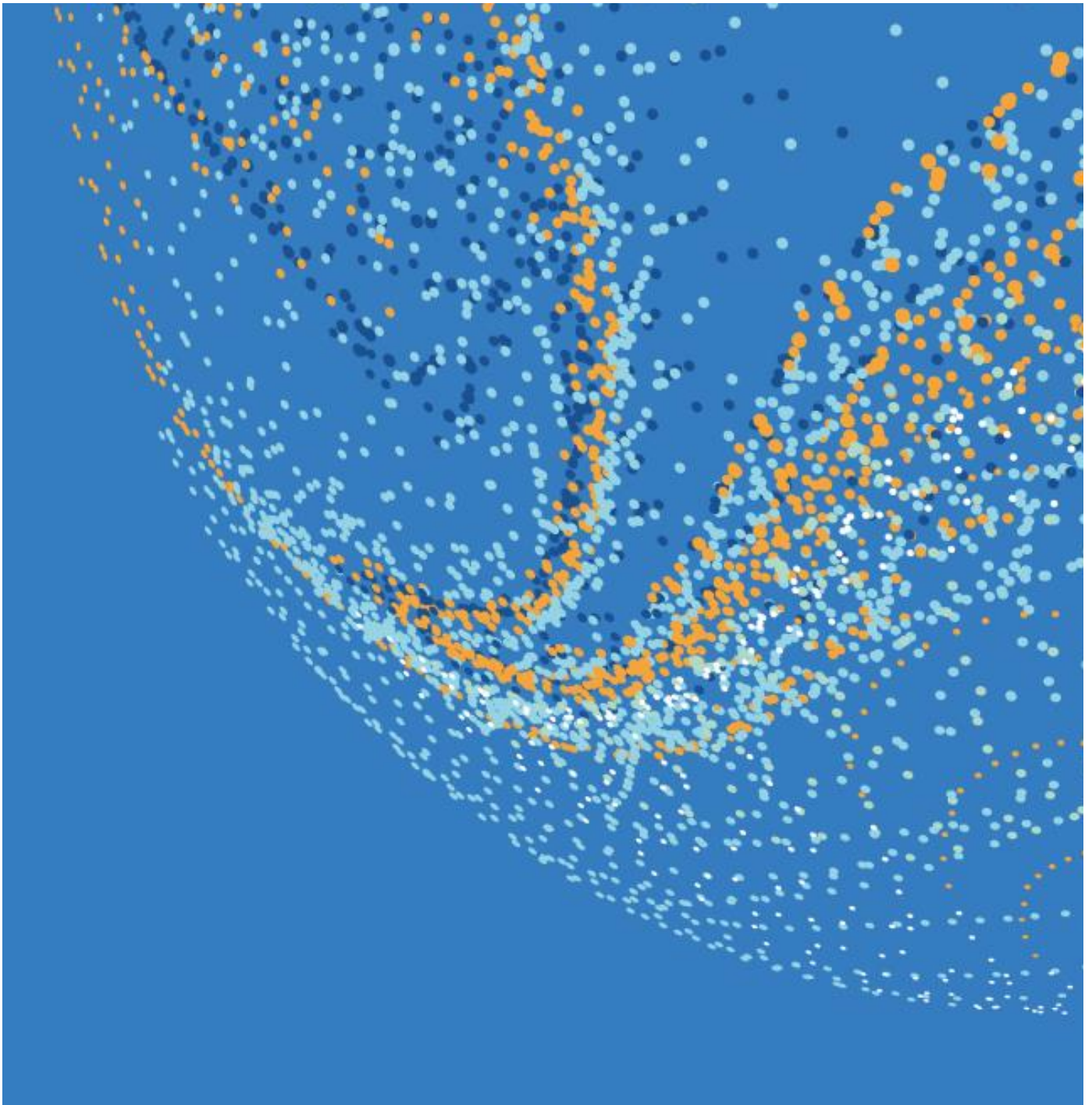


WILH. WILHELMSSEN HOLDING ASA

# Fourth quarter report 2017



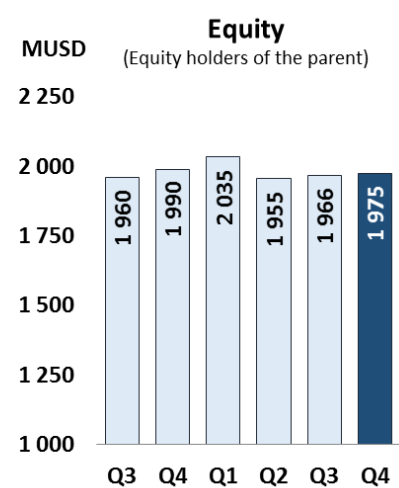
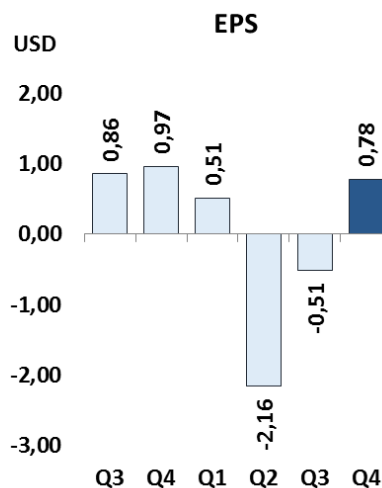
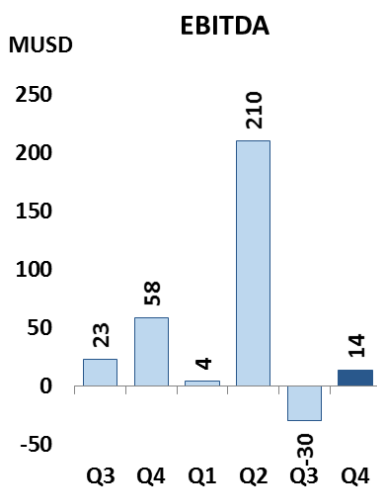
## Highlights for the quarter

- Effects of structural changes on track, lifting net profit for the quarter
- Positive sales development lifting maritime services income
  - EBITDA and net result reduced by mainly non-recurring corporate cost
- Positive quarter for new supply services segment in spite of low offshore season
  - Ownership in NorSea Group increased from ~72% to ~74%
- Strong contribution from holding and investments activities
  - Further volume growth for Wallenius Wilhelmsen Logistics
- Continued value appreciation for investments
- Second dividend of NOK 1.50 per share paid on 23 November

## Post quarter events

- Board proposes that the annual general meeting approves first dividend of NOK 3.50 per share and authorises the board to declare second dividend of up to NOK 2.50 per share

## Key figures



# Financial performance

USD mill - unless otherwise indicated	Q4'17	Q3'17	Q-on-Q Change	Q4'16	Y-o-Y Change	01.01- 31.12.17	01.01- 31.12.16	Y-o-Y Change
<b>Total income</b>	<b>205</b>	<b>104</b>	97 %	<b>232</b>	-12 %	<b>793</b>	<b>930</b>	-15 %
- of which operating revenue	204	143	42 %	173	18 %	632	867	-27 %
- of which gain/(loss) on sale of assets	1	-39	neg.	59	-98 %	161	62	158 %
<b>EBITDA</b>	<b>14</b>	<b>-30</b>	neg.	<b>58</b>	-76 %	<b>198</b>	<b>116</b>	70 %
<b>Operating profit/EBIT</b>	<b>4</b>	<b>-34</b>	neg.	<b>53</b>	-93 %	<b>176</b>	<b>94</b>	88 %
<b>Share of profits from associates</b>	<b>37</b>	<b>22</b>	63 %	<b>28</b>	30 %	<b>55</b>	<b>82</b>	-33 %
<b>Net financial income/(expenses)</b>	<b>1</b>	<b>-10</b>	neg.	<b>-10</b>	neg.	<b>22</b>	<b>-24</b>	neg.
<b>Tax income/(expenses)</b>	<b>-4</b>	<b>-2</b>	neg.	<b>-5</b>	neg.	<b>-16</b>	<b>-14</b>	neg.
<b>Profit/(loss) from continued operations</b>	<b>37</b>	<b>-23</b>	neg.	<b>66</b>	-44 %	<b>236</b>	<b>138</b>	71 %
<b>Discontinued operations</b>	<b>0</b>	<b>0</b>		<b>-21</b>		<b>-239</b>	<b>113</b>	neg.
<b>Profit/(loss) for the period</b>	<b>37</b>	<b>-23</b>	neg.	<b>46</b>	-18 %	<b>-2</b>	<b>251</b>	neg.
<b>Profit/(loss) to owners of the parent</b>	<b>36</b>	<b>-24</b>	neg.	<b>45</b>	-19 %	<b>-64</b>	<b>201</b>	neg.
<b>EPS (USD)</b>	<b>0,78</b>	<b>-0,51</b>	neg.	<b>0,97</b>	-19 %	<b>-1,38</b>	<b>4,34</b>	neg.
<b>Other comprehensive income</b>	<b>-22</b>	<b>24</b>	neg.	<b>-3</b>	neg.	<b>77</b>	<b>65</b>	18 %
<b>Total comprehensive income</b>	<b>16</b>	<b>1</b>	>500%	<b>43</b>	-63 %	<b>75</b>	<b>315</b>	-76 %
<b>Total comprehensive income owners of parent</b>	<b>16</b>	<b>18</b>	-14 %	<b>41</b>	-61 %	<b>11</b>	<b>263</b>	-96 %
<b>Total assets</b>	<b>3 288</b>	<b>3 283</b>	0 %	<b>4 695</b>	-30 %	<b>3 288</b>	<b>4 695</b>	-30 %
<b>Equity parent</b>	<b>1 975</b>	<b>1 966</b>	0 %	<b>1 990</b>	-1 %	<b>1 975</b>	<b>1 990</b>	-1 %
<b>Total equity</b>	<b>2 188</b>	<b>2 181</b>	0 %	<b>2 492</b>	-12 %	<b>2 188</b>	<b>2 492</b>	-12 %
<b>Equity ratio</b>	<b>67 %</b>	<b>66 %</b>	0 %	<b>53 %</b>	13 %	<b>67 %</b>	<b>53 %</b>	13 %

## Result for the quarter

Total income for the Wilh. Wilhelmsen Holding ASA group (later referred to as Wilhelmsen or group) was USD 205 million in the fourth quarter of 2017. This was the first quarter with full consolidation of NorSea Group. Together with increased sales in maritime services, this supported a 42% uplift in operating revenue when compared with the previous quarter.

EBITDA was USD 14 million for the quarter, compared with an adjusted EBITDA of USD 10 million in the third quarter. The increase was due to full consolidation of NorSea Group, reported under the new supply services segment from end of the third quarter. Contribution from the maritime services segment was down for the quarter.

Share of profit from associates was USD 37 million, reflecting a further increase in the net result of Wallenius Wilhelmsen Logistics ASA, reported under the group's holding and investments segment.

Net financial was an income of USD 1 million for the quarter, with currency and revaluation gains offsetting interest expenses.

Other comprehensive income for the quarter was negative with USD 22 million, including currency translation differences and mark to market revaluation of available-for-sale financial assets.

Total comprehensive income attributable to owners of the parent was USD 16 million in the fourth quarter.

## Balance sheet

Total assets were stable in the fourth quarter, with an increase in the book value of investment in joint ventures and associates offset by a decrease in cash and tangible assets.

Total equity was slightly up, with positive net result and comprehensive income partly offset by dividend payments to owners of the parent. The Wilhelmsen equity ratio was 67% as of 31 December 2017.

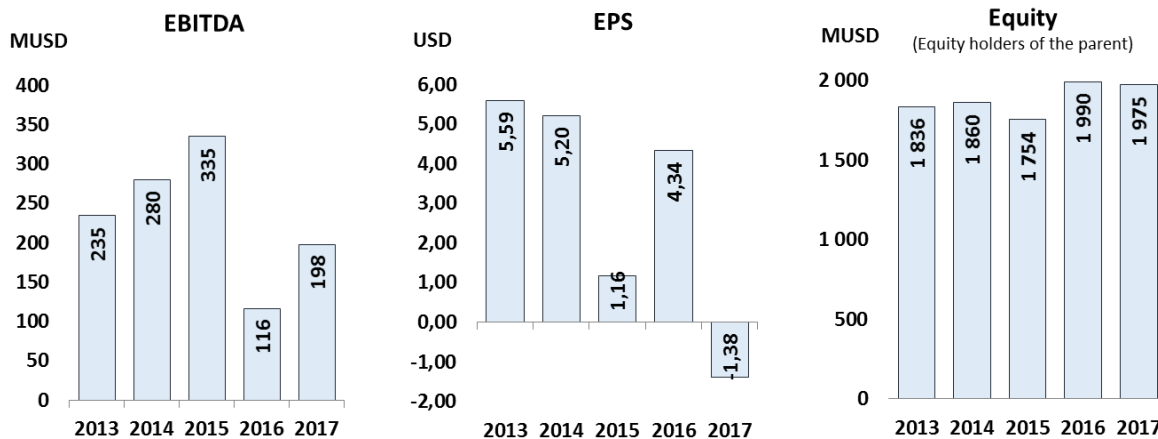
## Cash, liquidity and debt

USD mill	Cash	Interest bearing debt
Maritime services	144	196
Supply services	8	369
Holding and investments	15	54
Elimination	0	-18
<b>Wilhelmsen group</b>	<b>167</b>	<b>601</b>

Cash and cash equivalents was USD 167 million by the end of the fourth quarter, a reduction of USD 18 million compared with the previous quarter. Positive cash from operation was offset by debt repayments and USD 9 million in dividend payments to Wilhelmsen shareholders.

Interest bearing debt was USD 601 million by the end of the quarter, a USD 31 million reduction for the quarter.

# Full year 2017



## Preliminary result for the year

In 2017, Wilhelmsen completed structural changes of the group initiated one year earlier. This had material bearing on the reported results. Main events included:

- Sale of two maritime services business activities late 2016, reducing 2017 income correspondingly.
- Completion of the Wallenius Wilhelmsen Logistics ASA merger in April 2017, with previous income from Wilh. Wilhelmsen ASA reclassified as discontinued operations.
- Reclassification of Treasure ASA's ownership in Hyundai Glovis from associates to available for sale financial asset.
- Increased ownership in NorSea Group from September 2017, followed by a full consolidation reported under the new supply services segment.

Total income for Wilhelmsen was USD 793 million for the year, a reduction of 15% from 2016. The income reflected reduced operating revenue within maritime services, a material net sales gain from reclassification of assets and income from the new supply service segment in the fourth quarter.

Group EBITDA came in at USD 198 million, up 70%. An accounting gain from reclassification of assets was the main driver behind the increase. Excluding main non-recurring items, EBITDA was down.

Year 2017 - Mill. USD	EBITDA	EBIT
<b>Reported</b>	<b>198</b>	<b>176</b>
Q2'17 Reclassification of Hyundai Glovis	195	195
Q3'17 Reclassification NorSea Group	-40	-40
<b>Total material non-recurring items</b>	<b>155</b>	<b>155</b>
<b>Adjusted</b>	<b>43</b>	<b>21</b>

For maritime services, a continued weak shipping and offshore market and reduced activities following previous year disposals had a negative impact on EBITDA. The year

also includes significant corporate cost, mainly related to ongoing M&A activity.

The new supply services segment contributed with a positive EBITDA, following consolidation of the NorSea Group from the end of the third quarter.

EBITDA for the holding and investments segment was also positive for the year, with accounting gain from reclassification of Treasure ASA's investment in Hyundai Glovis offsetting net corporate cost.

Share of profit from associates was USD 55 million, down 33% compared with 2016. A strong second half for Wallenius Wilhelmsen Logistics ASA made a positive contribution, while merger and restructuring cost dragged down.

Net financials was an income of USD 22 million in 2017, lifted by net currency gains and gain from sale of available-for-sale financial assets. Investment management and interest income contributed positively with a total of USD 10 million, while interest expenses were USD 14 million.

Tax was included with an expense of USD 16 million.

Discontinued operation related to previous ownership in Wilh. Wilhelmsen ASA was included with a loss of USD 239 million in 2017. This mainly reflected the difference between book value and market value at the time of the Wallenius Wilhelmsen merger. This compares with a USD 113 million gain in 2016, following a restatement of Wilh. Wilhelmsen ASA as discontinued operations.

Net profit after tax and minority interests was a loss of USD 64 million in 2017 compared with a USD 201 million gain in 2016. Other comprehensive income was positive, resulting in a total comprehensive income to owners of the parents of USD 11 million for the year 2017.

## Segment information

# Maritime services

The maritime services segment includes ships service, ship management and other maritime services activities.

USD mill								
- unless otherwise indicated	Q4'17	Q3'17	Q-on-Q Change	Q4'16	Y-o-Y Change	01.01- 31.12.17	01.01- 31.12.16	Y-o-Y Change
<b>Total income</b>	<b>150</b>	<b>142</b>	<b>6 %</b>	<b>232</b>	<b>-35 %</b>	<b>580</b>	<b>924</b>	<b>-37 %</b>
- Ships service	139	132	5 %	158	-12 %	534	606	-12 %
- Ship management	11	11	1 %	12	-8 %	45	47	-5 %
- Technical solutions	0	0		19		0	224	
- Other/eliminations	0	-1		44		0	47	
<b>EBITDA</b>	<b>10</b>	<b>14</b>	<b>-31 %</b>	<b>62</b>	<b>-84 %</b>	<b>51</b>	<b>126</b>	<b>-60 %</b>
- EBITDA margin (%)	6,6 %	10,2 %		26,8 %		8,8 %	13,7 %	
<b>Operating profit/EBIT</b>	<b>6</b>	<b>11</b>	<b>-40 %</b>	<b>57</b>	<b>-89 %</b>	<b>36</b>	<b>104</b>	<b>-66 %</b>
- EBIT margin (%)	4,2 %	7,4 %		24,8 %		6,2 %	11,3 %	
Share of profit from associates	1	1		1		4	4	
Financial income/(expense)	1	-1		-15		6	-28	
Tax income/(expense)	-6	-3		-6		-15	-15	
<b>Profit/(loss)</b>	<b>2</b>	<b>8</b>	<b>-80 %</b>	<b>38</b>	<b>-96 %</b>	<b>30</b>	<b>65</b>	<b>-53 %</b>
- Profit margin (%)	1,1 %	5,8 %		16,5 %		5,3 %	7,0 %	
- Non controlling interest	0	0		0		1	1	
<b>Profit/(loss) to owners of the parent</b>	<b>1</b>	<b>8</b>	<b>-86 %</b>	<b>38</b>	<b>-97 %</b>	<b>29</b>	<b>64</b>	<b>-54 %</b>

### Result for the quarter

Total income from maritime services was USD 150 million in the fourth quarter, up 6% from the previous quarter.

EBITDA was USD 10 million for the quarter. Contribution from operating companies improved, while high corporate cost related to acquisitions weighted down.

Net financials was positive due to a revaluation gain, while tax expense was negatively impacted by high level of non-deductible expenses.

Net profit after minority interests ended at USD 1 million in the fourth quarter.

The decrease in total income and operating result when compared with last year reflects sale of Callenberg Technology Group and safety activities in the second half of 2016, including a material sales gain in the fourth quarter.

### Ships service

Wilhelmsen Ships Service is a global provider of standardised product brands and service solutions to the maritime industry, focusing on marine products, marine chemicals, maritime logistics and ships agency. Ships service is fully owned by Wilhelmsen.

Total income for ships service was up 5% from the third quarter. Marine product sales increased, while ships agency had a stable development. In addition, non-marine chemical sales was up, supported by seasonality. Operating profit improved from the previous quarter, but operating margin remained below historic average.

While sentiment has improved within several shipping segments, the general market remains challenging, with restructuring and cost-cutting initiatives among customers.

On 27 April 2017, Wilhelmsen signed an agreement to acquire the technical solutions business from Drew Marine, subject regulatory approval. The approval process is still ongoing.

### Ship management

Wilhelmsen Ship Management provides full technical management, crewing and related services for all major vessel types. Ship management is fully owned by Wilhelmsen.

Total income and operating profit was in line with the previous quarter. The difficult market conditions continued, with low level of new vessel deliveries.

Average number of vessels on full technical management were stable for the quarter. By the end of the quarter, ship management served approximately 390 ships worldwide, of which 35% were on full technical management and 10% were on layup management. The remaining contracts were related to crewing services.

Post quarter, Wilhelmsen Ship Management announced that its global head office will be relocated from Kuala Lumpur, Malaysia, to Singapore within the first quarter of 2018.

### Other maritime services activities

This includes Wilhelmsen Insurance Services (fully owned Wilhelmsen), Survitec Group (owned ~20%) and certain corporate activities. Survitec Group is reported as available-for-sale financial assets.

A revaluation has been made of the Survitec investment, with a net USD 3 million gain included as financial income in the fourth quarter. This gain mainly relates to currency effect of converting the investment from GBP to USD.

The fourth quarter included a total of USD 9 million in corporate cost, mainly related to ongoing M&A projects.

## Segment information

# Supply services

The supply services segment includes NorSea Group, WilNor Governmental Services and other supply services activities.  
(New segment from 26 September 2017)

USD mill - unless otherwise indicated	Q4'17	Q3'17	Q-on-Q Change	Q4'16	Y-o-Y Change	01.01- 31.12.17	01.01- 31.12.16	Y-o-Y Change
<b>Total income</b>	<b>57</b>					<b>57</b>		
- NorSea Group	52					52		
- Other/eliminations	5					5		
<b>EBITDA</b>	<b>9</b>					<b>9</b>		
- EBITDA margin (%)	15,1 %					15,1 %		
<b>Operating profit/EBIT</b>	<b>2</b>					<b>2</b>		
- EBIT margin (%)	4,1 %					4,1 %		
Share of profit from associates	1					1		
Financial income/(expense)	-1					-1		
Tax income/(expense)	1					1		
<b>Profit/(loss)</b>	<b>4</b>					<b>4</b>		
- Profit margin (%)	7,0 %					7,0 %		
- Non controlling interest	1					1		
<b>Profit/(loss) to owners of the parent</b>	<b>3</b>					<b>3</b>		

### Result for the quarter

Total income from supply services was USD 57 million in the fourth quarter. This included income in NorSea Group for the quarter, and full year income from operating activities transferred from the holding and investments segment to the new supply services segment.

EBITDA came in at USD 9 million, while share of profit from associates was USD 2 million for the quarter.

Reduced financial expenses and a tax income had a positive impact on the results.

Net profit after minority interests was USD 3 million for the quarter.

### NorSea Group

NorSea Group provides supply bases and integrated logistics solution to the offshore industry. Wilhelmsen owns ~74,6% of NorSea Group (40% ownership until 26 September and ~74,2% as per 31 December 2017). NorSea Group is fully consolidated in the Wilhelmsen's accounts from end of third quarter 2017.

Total income for NorSea Group was USD 52 million in the fourth quarter. The income was down from the previous quarter, reflecting a traditionally weaker winter season for supply services to the Norwegian offshore industry. Income from infrastructure and facilities was stable, while activity level at supply bases outside Norway remained at a reduced level.

Operating profit for the quarter included a USD 2 million gain related to pension liabilities.

During the quarter, agreement was reached on delivery of onshore power supply at Norwegian supply bases, and further development of the Polar base facility.

### Other supply services activities

This includes WilNor Governmental Services (owned 51% directly and 49% through NorSea Group) and certain minor supply services activities.

The reported income for the quarter includes full year income for WilNor Governmental Services, previously reported under the holding and investments segment.

## Segment information

# Holding and investments

The holding and investments segment includes investments in Wallenius Wilhelmsen Logistics ASA and Treasure ASA, financial investments, and other holding and investments activities. The investments in NorSea Group was reported as part of the segment up until 26 September 2017.

USD mill	Q4'17		Q-on-Q	Y-o-Y		01.01-	01.01-	Y-o-Y
- unless otherwise indicated	Q4'17	Q3'17	Change	Q4'16	Change	31.12.17	31.12.16	Change
<b>Total income</b>	<b>1</b>	<b>-35</b>	<i>neg.</i>	<b>6</b>	<b>-90 %</b>	<b>171</b>	<b>29</b>	<b>500 %</b>
- Operating revenue	0	5	-91 %	6	-91 %	16	29	-44 %
- Gain on sale of assets	0	-40		0		155	0	
<b>EBITDA</b>	<b>-5</b>	<b>-44</b>		<b>-4</b>		<b>138</b>	<b>-10</b>	
<b>Operating profit/EBIT</b>	<b>-5</b>	<b>-44</b>		<b>-4</b>		<b>138</b>	<b>-10</b>	
<b>Share of profit from associates</b>	<b>34</b>	<b>21</b>	<b>61 %</b>	<b>27</b>	<b>27 %</b>	<b>49</b>	<b>77</b>	<b>-36 %</b>
- Wallenius Wilhelmsen Logistics ASA	34	19	82 %			44		
- NorSea Group		2		4		7	12	-44 %
- Hyundai Glovis (Treasure ASA)				23		0	66	-100 %
- Other/eliminations	0	0		0		0	0	<i>neg.</i>
<b>Financial income/(expenses)</b>	<b>1</b>	<b>-9</b>	<i>neg.</i>	<b>5</b>	<b>-77 %</b>	<b>16</b>	<b>4</b>	<b>&gt;100%</b>
- Investment management (Holding)	0	3		4		5	3	
- Available-for-sale (Treasure ASA)	0	0		0		0	0	
- Available-for-sale (WWHI)	1	1		0		12	6	
- Other financial income/(expense)	0	-14		0		0	-4	
<b>Tax income/(expense)</b>	<b>1</b>	<b>1</b>		<b>1</b>		<b>-2</b>	<b>2</b>	
<b>Profit/(loss) for the period</b>	<b>32</b>	<b>-32</b>		<b>28</b>		<b>202</b>	<b>73</b>	
- Non controlling interest	0	0		6		52	18	
<b>Profit/(loss) to owners of the parent</b>	<b>32</b>	<b>-32</b>		<b>22</b>		<b>150</b>	<b>56</b>	

### Market value - Investments and financial assets

USD mill	Q4'17		Q-on-Q	Y-o-Y		Q4'17		
- unless otherwise indicated	Q4'17	Q3'17	Change	Q4'16	Change	Net invest.	Dividend received	Value change
Wallenius Wilhelmsen Logistics ASA	1 155	979	18 %	627	84 %	0	0	176
Treasure ASA	281	307	-9 %	310	-9 %	0	0	-26
Available-for-sale financial investments	141	137	3 %	130	8 %	0	0	4
Investment portfolio	101	99	2 %	83	22 %			
<b>Total market value</b>	<b>1 677</b>	<b>1 522</b>	<b>10 %</b>	<b>1 150</b>	<b>46 %</b>			

### Result for the quarter

The Holding and investments segment reported a net gain of USD 32 million in the fourth quarter. A strong improvement in net profit in Wallenius Wilhelmsen Logistics ASA lifted the result. Net result from other investments and holding activities was fairly stable.

Market value of investments and financial assets was up 10% for the quarter, mainly due to further increase in Wallenius Wilhelmsen Logistics ASA share price.

### Wallenius Wilhelmsen Logistics ASA

Wallenius Wilhelmsen Logistics ASA is a global provider of ocean and land-based logistics services towards car and ro-ro customers, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~37.8% of the company, which is reported as associate in Wilhelmsen's accounts.

Total income for Wallenius Wilhelmsen Logistics ASA was USD 1 036 million in the fourth quarter, up 8% from previous quarter. The increase was driven by positive development for ocean volumes, supported by seasonally strong auto volumes.

Reported EBITDA was USD 177 million for the quarter. EBITDA adjusted for non-recurring items was USD 182 million, down 5% from the third quarter. Higher bunker

prices, increased space charter expenses and less optimal cargo mix more than offset positive volume development, high utilisation and increased synergy realisation.

The synergy target has been increased to USD 120 million, of which USD 75 million of annualised synergies have been confirmed. USD 10 million of this was added in the fourth quarter.

Reduction in US federal tax rate had a positive impact on the deferred tax liabilities and tax income for the quarter.

Wilhelmsen's share of profit in Wallenius Wilhelmsen Logistics ASA was USD 34 million in the fourth quarter.

Two operating entities of Wallenius Wilhelmsen Logistics ASA have been part of anti-trust investigations in several jurisdictions since 2012. Based on updated evaluations, Wallenius Wilhelmsen Logistics has increased its provision for anti-trust obligations by USD 140 million. The total provision will then amount to USD 440 million. The preliminary purchase price allocation related to the Wallenius Wilhelmsen Logistics merger has been updated to reflect the increased liability. As such, the increased provision did not impact the income statement.

On 7 December, Wallenius Wilhelmsen Logistics ASA acquired Keen Transport Inc. for USD 64 million.

The Wallenius Wilhelmsen Logistics ASA share price was up 21.4% for the quarter, closing at NOK 59.25. Measured in USD, the share price was up 18%. As of 31 December 2017, the market value of Wilhelmsen's investment was USD 1 155 million, while the book value of the shareholding was USD 831 million.

### Treasure ASA

*Treasure ASA holds a 12.04% ownership interest in Hyundai Glovis, and is listed on the Oslo Stock Exchange. Wilhelmsen owns ~72.7% of Treasure ASA. Hyundai Glovis is from 4 April 2017 reported as available-for-sale financial investments in the Wilhelmsen's accounts.*

The value of Treasure ASA's investment in Hyundai Glovis was USD 575 million by the end of the fourth quarter. This was a reduction of USD 8 million for the quarter. The ~72.7% investment value attributable to owners of Wilhelmsen was USD 418 million, a reduction of USD 6 million for the quarter.

The Treasure ASA share price was down 5.9% for the quarter, closing at NOK 14.40. Measured in USD, the share price was down 8.5%. This represented a discount of 33% compared with net asset value of the company. As of 31 December 2017, the market value of Wilhelmsen's shareholding in Treasure ASA was USD 281 million.

## Outlook

### Maritime services

The new structure will support an improved operating margin within the maritime services segment. Development of marine products will be sensitive to final outcome of the Drew acquisition, subject regulatory approval.

### Supply services

A restructuring process has been initiated within NorSea Group to adapt the organisation to the present market environment. This is expected to have a positive effect on the supply services segment margin when fully implemented.

### Holding and investments

Positive volume development combined with reduced Hyundai and Kia market share for Wallenius Wilhelmsen

### Financial investments

*Financial investments includes cash and cash equivalents, current financial investments and available-for-sale financial assets held by the parent and fully owned subsidiaries.*

The market value of available-for-sale financial assets was USD 141 million by the end of the fourth quarter, up from USD 137 million by the end of the previous quarter. Main reason for the increase was an uplift in the share price of Qube Holdings Limited.

The current financial investment portfolio held by Wilhelmsen was USD 101 million by the end of the fourth quarter, up from USD 99 million by the end of the previous quarter. The portfolio primarily included Nordic equities and investment-grade bonds. Net income from investment management was nil in the fourth quarter.

### Other holding and investments activities

*Holding/other activities includes general holding activities.*

Underlying income was stable for the quarter. The low reported income for the quarter is due to reclassification of income in WilNor Governmental Services for the first three quarters from the holding and investments segment to the new supply services segment.

Logistics implies a balanced view on net result development for the holding and investments segment. Value of investments subject market pricing will remain sensitive to development of the global stock market and currency fluctuations, in addition to company specific events.

### Wilhelmsen group

The group has successfully completed several structural changes creating value for shareholders. Markets are challenging, but Wilhelmsen continues to hold leading positions in main business segments.

The group is positioned for future growth, and the board expects to see positive developments in main markets.

Lysaker, 15 February 2018  
The board of directors of Wilh. Wilhelmsen Holding ASA

*Forward-looking statements presented in this report are based on various assumptions. These assumptions were reasonable when made, but as assumptions are inherently subject to uncertainties and contingencies which are difficult or impossible to predict. WWH cannot give assurances that expectations regarding the future outlook will be achieved or accomplished.*



## Income statement - financial report

USD mill	Note	Q4 2017	Q4 2016	YTD 2017	Full year 2016
Operating revenue		204	173	632	867
<b>Other income</b>					
Gain/(loss) on sale of assets	2	1	59	161	62
<b>Total income</b>		<b>205</b>	<b>232</b>	<b>793</b>	<b>930</b>
<b>Operating expenses</b>					
Cost of goods and change in inventory		(62)	(63)	(194)	(377)
Employee benefits		(77)	(66)	(252)	(279)
Other expenses		(53)	(45)	(150)	(157)
<b>Operating profit before depreciation and amortisation</b>		<b>14</b>	<b>58</b>	<b>198</b>	<b>116</b>
Depreciation and impairments	3	(10)	(5)	(22)	(23)
<b>Operating profit</b>		<b>4</b>	<b>53</b>	<b>176</b>	<b>94</b>
Share of profits from associates	4	37	28	55	82
Financial income		5	5	36	11
Financial expenses		(4)	(15)	(14)	(35)
<b>Profit before tax</b>		<b>41</b>	<b>71</b>	<b>253</b>	<b>151</b>
Tax income/(expense)		(4)	(5)	(16)	(14)
<b>Profit from continued operations</b>		<b>37</b>	<b>66</b>	<b>236</b>	<b>138</b>
<b>Discontinued operations</b>					
Net profit/(loss) from discontinued operations (net after tax)*	6		(21)	(239)	113
<b>Profit for the period</b>		<b>37</b>	<b>46</b>	<b>(2)</b>	<b>251</b>
Attributable to: non-controlling interests continued operations		1	7	55	19
non-controlling interests discontinued operations			(6)	7	31
owners of the parent		36	45	(64)	201
Basic earnings per share (USD)	7	0,78	0,97	(1,38)	4,34

## Comprehensive income - financial report

USD mill	Q4 2017	Q4 2016	YTD 2017	Full year 2016
<b>Profit for the period</b>	<b>37</b>	<b>46</b>	<b>(2)</b>	<b>251</b>
<b>Items that may be reclassified to income statement</b>				
Revaluation mark to market value available for sale financial assets	(7)	6	3	8
Comprehensive income from associates			(1)	
Currency translation differences	(15)	(12)	47	46
Currency translation differences recycled to income statement as part of loss of sale of assets			28	
Comprehensive income discontinued operations		2	(1)	10
<b>Items that will not be reclassified to income statement</b>				
Remeasurement pension liabilities, net of tax				
<b>Other comprehensive income, net of tax</b>	<b>(22)</b>	<b>(3)</b>	<b>77</b>	<b>65</b>
<b>Total comprehensive income for the period</b>	<b>16</b>	<b>43</b>	<b>75</b>	<b>315</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the parent continued operations	16	54	251	172
Owners of the parent discontinued operations		(13)	(239)	91
Non-controlling interests	1	2	64	52
<b>Total comprehensive income for the period</b>	<b>16</b>	<b>43</b>	<b>75</b>	<b>315</b>

The above consolidated income statement should be read in conjunction with the accompanying notes.

## Balance sheet - financial report

USD mill	Note	31.12.2017	31.12.2016
Deferred tax asset	5	18	75
Goodwill and other intangible assets	3	171	145
Vessels, property and other tangible assets	3	590	2 047
Investments in joint ventures and associates	4	1 019	1 259
Available-for-sale financial assets	8	801	209
Other non current assets		37	47
<b>Total non current assets</b>		<b>2 637</b>	<b>3 781</b>
Inventory		81	65
Current financial investments		101	285
Other current assets		302	268
Cash and cash equivalents		167	296
<b>Total current assets</b>		<b>651</b>	<b>914</b>
<b>Total assets</b>		<b>3 288</b>	<b>4 695</b>
Paid-in capital	7	122	122
Retained earnings	7/9	1 853	1 868
<b>Attributable to equity holders of the parent</b>		<b>1 975</b>	<b>1 990</b>
Non-controlling interests		212	502
<b>Total equity</b>		<b>2 188</b>	<b>2 492</b>
Pension liabilities		23	63
Deferred tax	5	6	12
Non-current interest-bearing debt	10	493	1 418
Other non-current liabilities		112	233
<b>Total non current liabilities</b>		<b>634</b>	<b>1 727</b>
Current income tax		11	15
Public duties payable		7	7
Current interest-bearing debt	10	108	115
Other current liabilities		341	340
<b>Total current liabilities</b>		<b>466</b>	<b>477</b>
<b>Total equity and liabilities</b>		<b>3 288</b>	<b>4 695</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

## Cash flow statement - financial report

USD mill	Note	Q4 2017	Q4 2016	YTD 2017	YTD 2016
<b>Cash flow from operating activities</b>					
Profit before tax (included discontinued operations and before non-controlling interests)		42	69	14	286
Financial (income)/expenses		2	33	(6)	66
Financial derivatives unrealised		6	(28)	(8)	(25)
Depreciation/impairment	3	10	26	42	104
Loss/ (gain) on sale of fixed assets	3	(1)	(6)	(11)	(3)
(Gain)/loss from sale of subsidiaries, joint ventures and associates	6	1	(56)	121	(56)
Change in net pension asset/liability		(5)	(7)	(5)	(4)
Change in inventory		(4)	20	(18)	19
Change in other working capital		23	38	22	44
Tax paid (company income tax, withholding tax)			(3)	(11)	(11)
<b>Net cash provided by operating activities</b>		<b>74</b>	<b>86</b>	<b>139</b>	<b>420</b>
<b>Cash flow from investing activities</b>					
Share of profit from joint ventures and associates		(37)	(12)	(69)	(187)
Dividend received from joint ventures and associates		2	15	18	72
Proceeds from sale of fixed assets	3		21	63	44
Investments in fixed assets	3	(5)	(27)	(29)	(205)
Net proceeds from sale of subsidiaries			107	14	107
Cash discontinued operations	6			(121)	
Investments in subsidiaries, joint ventures and associates		(1)		(89)	
Loans granted to joint ventures and associates					(7)
Proceeds from sale of financial investments		7	84	111	168
Current financial investments		(9)	(12)	(58)	(131)
Interest received		4	1	5	4
Changes in other investments			(23)		
<b>Net cash flow from investing activities</b>		<b>(40)</b>	<b>155</b>	<b>(156)</b>	<b>(136)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issue of debt				230	291
Repayment of debt		(28)	(247)	(271)	(432)
Interest paid including interest derivatives		(1)	(21)	(37)	(84)
Cash from financial derivatives		(14)	(28)		(45)
Dividend to shareholders/purchase of own shares		(9)	(12)	(36)	(30)
<b>Net cash flow from financing activities</b>		<b>(52)</b>	<b>(308)</b>	<b>(114)</b>	<b>(299)</b>
<b>Net increase in cash and cash equivalents <sup>1</sup></b>		<b>(18)</b>	<b>(67)</b>	<b>(130)</b>	<b>(16)</b>
Cash and cash equivalents at the beg. of the period <sup>1</sup>		184	363	296	312
<b>Cash and cash equivalents at the end of the period <sup>1</sup></b>		<b>167</b>	<b>296</b>	<b>167</b>	<b>296</b>
<b>The net cash flow from discontinued operations are:</b>					
	6				
Net cash provided by operative activities from discontinued operations			30	7	212
Net cash provided by investing activities from discontinued operations			51	107	(95)
Net cash provided by financing activities from discontinued operations			(151)	(74)	(143)
<b>Cash and cash equivalents related to discontinued operations (at the end of the period) the date of merger and 31.12.2016</b>		<b>121</b>	<b>81</b>	<b>121</b>	<b>81</b>

<sup>1</sup> Excluding restricted cash.

The group is located and operating world wide, and every entity has several bank accounts in different currencies. Unrealised currency effects are included in net cash provided by operating activities.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Statement of changes in equity - financial report

### Statement of changes in equity - Year to date

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2016</b>	122	1 868	1 990	502	2 492
Profit for the period		(64)	(64)	62	(2)
Other comprehensive income*		75	75	2	77
Incoming non-controlling interests				53	53
Change in non-controlling interests				4	4
Outgoing non-controlling interests				(398)	(398)
Paid dividends to shareholders		(25)	(25)	(11)	(37)
<b>Balance 31.12.2017</b>	<b>122</b>	<b>1 853</b>	<b>1 975</b>	<b>212</b>	<b>2 188</b>

### Statement of changes in equity - Full year 2016

USD mill	Share capital	Retained earnings	Total	Non-controlling interests	Total equity
<b>Balance at 31.12.2015</b>	122	1 632	1 754	452	2 206
Profit for the period		201	201	49	251
Comprehensive income *		62	62	2	65
Paid dividends to shareholders		(28)	(28)	(2)	(30)
<b>Balance 31.12.2016</b>	<b>122</b>	<b>1 868</b>	<b>1 990</b>	<b>502</b>	<b>2 492</b>

\*) Other comprehensive income in Statement of equity (2016) is not restated in discontinued and continued operations.

## Notes - financial report

### Note 1 - Accounting principles

#### General information

This consolidated interim financial report has been prepared in accordance with International Accounting Standards (IAS 34), "interim financial reporting". The consolidated interim financial reporting should be read in conjunction with the annual financial statements for the year end 31 December 2016 for Wilh. Wilhelmsen Holding ASA group (WWI), which has been prepared in accordance with IFRS's endorsed by the EU.

### Note 2 - Significant acquisitions and disposals

#### 2017

##### Fourth quarter

No material disposal or acquisition except increased the ownership in NorSea with 2.11% through acquisition of shares from NorSea's management.

##### Third quarter

Per 26.09.2017 the group increased its ownership in NorSea to 72% from previously held 40%. Total consideration for the additional 32% investment in NorSea Group is NOK 545 million (USD 70 million). The investment is financed through existing liquidity and funding reserves.

The remeasurement loss upon consolidation of the former NorSea Group was USD 40 mill.

NorSea group and WilNor Governmental Service will be presented in a new segment "Supply Services" from 30.09.2017.

##### Second quarter

The merger between Wall Roll AB (part of Wallenius Rederi AB) and WWASA was completed in beginning of April. After the completion the group own 37.8% of Wallenius Wilhelmsen Logistics ASA (WWL). The investment in WWL

#### 2016

##### Fourth quarter

Disposal of 100% shares in Callenberg group with a loss of USD 15 mill. Disposal of Wilhelmsen safety activities (100% of shares in Wilhelmsen Technical Solution AS and safety division in Wilhelmsen Ships Service group) by a gain of USD 71 mill. The net proceeds (cash) from both disposals were USD 150 mill.

##### Third quarter

There has not been any significant acquisitions or disposals during the third quarter

##### Second quarter

Treasure ASA was demerger from WWASA and the company was listed at 8 June 2016. Treasure ASA hold 12.04% ownership in the listed company Hyundai Glovis. Treasure ASA group is a part of Holding & Investment segment. See separate note for restated figures.

#### Basic policies

The accounting policies implemented are consistent with those of the annual financial statements for WWI for the year end 31 December 2016.

#### Roundings

As a result of rounding adjustments, the figures in one or more columns may not add up to the total of that column.

ASA is treated as an associate company (equity method). The merger effect was an accounting loss of USD 264 mill and presented as discontinued operations. The initial investment cost of WWL was stock price 4 April 2017 NOK 42.50 per share.

In addition the group acquired Kemetyl Konsument Norge AS at 1 April 2017. The investment cost was approximately USD 20 mill.

The presentation of the investment in Hyundai Glovis Ltd is changed from an associate to available-for-sale financial assets. The change in accounting principle give an accounting gain of USD 195 mill. The accounting principle of the investment is in line with Treasure ASA presentation.

##### First quarter

No material disposal or acquisition.

##### First quarter

Investments in WWASA segment

WWL has acquired the full ownership of WWL Vehicle Services Americas (VSA), previously a joint venture, based in USA. The company employs 3 400 employees and handles some 4.7 million units annually.

With full ownership, WWL strengthens its position as a leading provider of vehicle processing for automotive manufacturers in North America.

WWL has also acquired the full ownership of CAT-WWL, previously a joint venture, based in South Africa.

With full ownership in CAT-WWL, a network of ten vehicle-processing facilities, WWL becomes one of the top independent providers of vehicle processing services to support automotive manufacturers in South Africa.

The business employs more than 900 workers and handles some 680 000 units.

In addition, WWL has sold Vehicle Services Europe (VSE) to Groupe CAT. The company employs some 400 employees with truck based inland distribution in Europe and three vehicle processing centres in Germany.

## Notes - financial report

### Note 3 - Tangible and intangible assets

USD mill	Vessels / Newbuilding contracts	Other tangible assets	Intangible assets	Total tangible and intangible assets
<b>2017</b>				
Cost price 1.1	2 457	278	208	2 944
Acquisition		26	3	29
Business combination	38	536	30	604
Reclass/disposal	(2 458)	3	(8)	(2 462)
Currency translation differences	(1)	1	10	9
<b>Cost price 31.12</b>	<b>36</b>	<b>844</b>	<b>243</b>	<b>1 123</b>
Accumulated depreciation and impairment losses 1.1	(579)	(110)	(63)	(752)
Depreciation/amortisation		(15)	(6)	(22)
Depreciation discontinued operations	(20)			(20)
Business combination	(17)	(138)	(1)	(156)
Reclass/disposal	599	(9)	1	592
Currency translation differences	1	(2)	(2)	(4)
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(17)</b>	<b>(273)</b>	<b>(71)</b>	<b>(362)</b>
<b>Carrying amounts 31.12</b>	<b>19</b>	<b>571</b>	<b>171</b>	<b>761</b>
<b>2016 Full year</b>				
Cost price 1.1	2 472	307	325	3 105
Acquisition	149	50	6	206
Reclass/disposal	(164)	(75)	(126)	(365)
Currency translation differences		(4)	2	(2)
<b>Cost price 31.12</b>	<b>2 457</b>	<b>278</b>	<b>208</b>	<b>2 944</b>
Accumulated depreciation and impairment losses 1.1	(646)	(122)	(121)	(889)
Depreciation/amortisation		(14)	(9)	(23)
Depreciation discontinued operations	(81)			(81)
Reclass/disposal	148	25	66	239
Currency translation differences		1		1
<b>Accumulated depreciation and impairment losses 31.12</b>	<b>(579)</b>	<b>(110)</b>	<b>(63)</b>	<b>(752)</b>
<b>Carrying amounts 31.12</b>	<b>1 878</b>	<b>168</b>	<b>145</b>	<b>2 191</b>

## Notes - financial report

### Note 4 - Investment in associates

The restructuring of the group has changed the presentation of investment in associates. The net profit from associates has been moved from operating activities to be a part of investing and financial activities in the group.

As a consequence of the merger between WWASA and Wall Roll AB, the investment in WWL ASA is classified as associate.

In addition the investment in Hyundai Glovis has been changed from associate to

an available-for-sale financial assets at the same time as the merger between WWASA and Wallroll.

Per 26.09.2017 the group increased the ownership in NorSea Group to 72% changing the presentation of NorSea from investment in associate to investment in subsidiary. During Q4 2017 the ownership increased to 74,11% through acquisition of shares from NorSea's management.

Material joint ventures and associates at the end December 2017 are:

#### USD mill

	Ownership	31.12.2017 Booked value
<b>Holding and Investments segment:</b>		
Wallenius Wilhelmsen Logistics ASA	37.8%	831
<b>Maritime service segment:</b>		
Associates	20 - 50%	12
<b>Supply services segment:</b>		
<i>Joint venture</i>		
Cost Center Base	50 %	102
Vikan Næringspark Invest AS	50 %	16
Other	50 %	1
<i>Associates</i>		
Risavika Havn AS	42.8%	38
Risavika Eiendom AS	42 %	12
Hammerfest Næringsinvest AS	32 %	2
Other	33 - 49%	4
<b>Total investment in joint ventures and associates</b>		<b>1019</b>

	Q4 2017	YTD Q4 2017
<b>Share of profit from associates</b>		
Wallenius Wilhelmsen Logistics ASA	34	44
NorSea Group AS		5
Associates in Supply Services	1	1
Associates in Maritime Services	1	4
<b>Share of profit from associates</b>	<b>37</b>	<b>55</b>

### Note 5 - Tax

The effective tax rate for the group will, from period to period, change dependent on the group gains and losses from investments inside the exemption method.

## Notes - financial report

### Note 6 - Discontinued operations WWASA segment

On 4 April 2017 the subsidiary WW ASA was merged with Wall Roll AB. After the merger the group own 37.8% of the WWL ASA. The profit in WWASA previous periods is presented as discontinued operations in WWH. The assets and liabilities from WWASA segment are included in the group balance sheet at 30.06 2016 and 31.12.2016.

Financial information (income statement and net assets) relating to the discontinued operations for each period to the date of disposal is set out below.

Before the merger, WWH owned 160 000 000 shares in WW ASA (renamed to WWL ASA) and after the merger, WWH still own 160 000 000 in WWL ASA.

The financial performance and cash flow information presented are for the Q1 2017, Q4 2016 and the year ended 31 December 2016

USD mill	Q1 2017	Q4 2016	Full year 2016
Operating revenue	59	66	257
<b>Other income</b>			
Share of profits from associates	14	(16)	106
Gain/(loss) on sale of assets	9		
<b>Total income</b>	<b>82</b>	<b>50</b>	<b>363</b>
<b>Operating expenses</b>			
Vessel expenses	(15)	(15)	(61)
Inventory cost			
Employee benefits	(11)	(15)	(51)
Other expenses	(3)	(6)	(18)
Depreciation and impairments	(20)	(21)	(81)
<b>Total operating expenses</b>	<b>(49)</b>	<b>(57)</b>	<b>(212)</b>
<b>Operating profit</b>	<b>33</b>	<b>(7)</b>	<b>151</b>
Financial income/(expenses)	(8)	5	(17)
Profit before tax	25	(2)	134
Tax income/(expense)	1	(18)	(22)
<b>Profit from discontinued operations</b>	<b>26</b>	<b>(21)</b>	<b>113</b>
Non controlling interests	7	(6)	31
Changes in fair value cash flow hedge		2	12
Exchange differences on translation of discontinued operations	2	(2)	(2)
Remeasurement pension liabilities, net of tax		1	1
<b>Other comprehensive income from discontinued operations</b>	<b>1</b>	<b>1</b>	<b>10</b>
<b>Cash flow from discontinued operations</b>			
Net cash flow from operating activities	7	30	211
Net cash flow from investing activities	107	51	(95)
Net cash flow from financing activities	(74)	(151)	(143)
<b>Net increase in cash generated by the discontinued operations</b>	<b>40</b>	<b>(70)</b>	<b>(27)</b>
<b>Details of the merger between the subsidiary WWASA and Wall Roll AB</b>			<b>YTD Q4 2017</b>
Cash			14
Shares in Wallenius Wilhelmsen Logistics ASA (market value)			789
Total disposals consideration			804
Carrying amount of net assets disposal			1 062
Currency translation differences in WWASA group			(5)
<b>Accounting loss (discontinued operations) majority (Q2 2017)</b>			<b>(264)</b>
Net profit before non-controlling interests Q1 2017			26
<b>Profit from discontinued operations</b>			<b>(239)</b>



## Notes - financial report

### Note 6 - Discontinued operations WWASA segment cont.

Details of the merger between WWASA group and Wall Roll AB

The carry amounts of assets and liabilities as at the date of the merger 04. April 2017 were:

**04.04.2017**

Deferred tax asset	56
Intangible assets	6
Tangible assets	1 822
Investments in joint ventures and associates	775
Other non current assets	1
Current financial investments	150
Other current assets	16
Cash and cash equivalents	121
<b>Total Assets</b>	<b>2 946</b>

Deferred tax	
Interest-bearing debt	1 267
Other non current liabilities	164
Other current liabilities	55
Non controlling interests	398
<b>Liabilities and non-controlling interests</b>	<b>1 884</b>

**Net assets for controlling shareholders** 1 062

#### Assets and liabilities of disposed group

The following assets and liabilities are related to the discontinued operations at 31 December 2016:

**31.12.2016**

Assets and liabilities related to discontinued operations

Deferred tax asset	55
Intangible assets	6
Tangible assets	1 879
Investments in joint ventures and associates	768
Other non current assets	1
Current financial investments	202
Other current assets	22
Cash and cash equivalents	81
<b>Total Assets</b>	<b>3 013</b>

Interest-bearing debt	1 320
Other non current liabilities	169
Other current liabilities	89
<b>Total liabilities</b>	<b>1 578</b>

## Notes - financial report

### Note 7 - Shares

The share capital is as follow with a nominal value of NOK 20:

A - shares	34 637 092
B - shares	11 866 732
<b>Total shares</b>	<b>46 503 824</b>

Earnings per share taking into consideration the number of outstanding shares in the period. The group acquired 100.000 own A shares during August 2011.

Earnings per share is calculated based on 46 403 824 shares for 2017, and each quarter in 2016.

Basic earnings per share is calculated by dividing profit for the period after minority interests, by average number of total outstanding shares.

### Note 8 - Available-for-sale financial assets

USD mill	31.12.2017	31.12.2016
<b>Available-for-sale financial assets</b>		
At 1 January	209	122
Acquisition	12	91
Sale during the year	(11)	(7)
Change of accounting principle Hyundai Glovis	573	
Mark to market valuation	(0)	4
Currency translation adjustment	18	(2)
<b>Total available-for-sale financial assets</b>	<b>801</b>	<b>209</b>

Available-for-sale financial assets is held in subsidiaries with different functional currencies and thereby creating translation adjustment.

Effective from 01.01.2018 all available for sale assets held 31.12.2017 will be measured at fair value through the income statement in accordance with IFRS 9.

Changes in fair value of the investment in Survitec has been recognised through the income statement.

### Note 9 - Paid dividend

Dividend for fiscal year 2016 was NOK 5.00 per share, where NOK 3.50 per share was paid in May 2017 and NOK 1.50 per share was paid in November 2017.

The proposed dividend for fiscal year 2017 in 2018 is NOK 3.50 per share, payable in the second quarter of 2018.

A decision on this proposal will be taken by the annual general meeting on 26 April 2018. The proposed dividend is not accrued in the year-end balance sheet. The dividend will have effect on retained earnings in second quarter of 2018.

## Notes - financial report

### Note 10 - Interest-bearing debt

USD mill	31.12.2017	31.12.2016
Non current interest-bearing debt	493	213
Current interest-bearing debt	108	
Interest-bearing debt discontinued operations		1 320
<b>Total interest-bearing debt</b>	<b>601</b>	<b>1 533</b>
Cash and cash equivalents	167	215
Current financial investments	101	83
Cash and cash equivalents and current financial investments discontinued operations		283
<b>Net interest-bearing debt</b>	<b>333</b>	<b>953</b>

Loan agreements entered into by group companies contain financial covenants related to equity ratio, liquidity, current ratio and net interest-bearing debt / EBITDA measured in respect of the relevant borrowing company or group of

companies. The group was in compliance with these covenants at 31 December 2017 (analogous for 31 December 2016).

#### Specification of interest-bearing debt

USD mill	31.12.2017	31.12.2016
<b>Interest-bearing debt</b>		
Bankloan	601	213
Interest-bearing debt discontinued operations		1 320
<b>Total interest-bearing debt</b>	<b>601</b>	<b>1 533</b>
<b>Repayment schedule for interest-bearing debt</b>		
Due in 1 year	108	
Due in 2 year	25	34
Due in 3 year	22	180
Due in 4 year	22	
Due in 5 year and later	425	
Interest-bearing debt discontinued operations		1 320
<b>Total interest-bearing debt</b>	<b>601</b>	<b>1 533</b>

## Notes - financial report

### Note 11 - Financial level

USD mill	Level 1	Level 2	Level 3	Total
<b>2017</b>				
<b>Financial assets at fair value</b>				
Equities	52		1	52
Bonds	48			48
Financial derivatives		2		2
Available-for-sale financial assets	707		93	801
<b>Total financial assets 31.12</b>	<b>807</b>	<b>2</b>	<b>94</b>	<b>904</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		13		13
<b>Total financial liabilities 31.12</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>
<b>2016</b>				
<b>Financial assets at fair value</b>				
Equities	100			100
Bonds	185			185
Financial derivatives		10		10
Available-for-sale financial assets	123		86	209
<b>Total financial assets 31.12</b>	<b>408</b>	<b>10</b>	<b>86</b>	<b>504</b>
<b>Financial liabilities at fair value</b>				
Financial derivatives		163		163
<b>Total financial liabilities 31.12</b>	<b>0</b>	<b>163</b>	<b>0</b>	<b>163</b>

The fair value of financial instruments traded in an active market is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes. These quotes use the maximum number of observable market rates for price discovery. Specific valuation techniques used by financial counterparties (banks) to value financial derivatives include:

- Quoted market prices or dealer quotes for similar derivatives
- The fair value of interest rate swaps is calculated as the net present value of the estimated future cash flows based on observable yield curves
- The fair value of interest rate swap option (swaption) contracts is determined using observable volatility, yield curve and time-to-maturity parameters at the balance sheet date, resulting in a swaption premium. Options are typically valued by applying the Black-Scholes model.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to net present value
- The fair value of foreign exchange option contracts is determined using observable forward exchange rates, volatility, yield curves and time-to-maturity parameters at the balance sheet date, resulting in an option premium. Options are typically valued by applying the Black-Scholes model.

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial derivatives.

The fair values, except for bond debt, are based on cash flows discounted using a

rate based on market rates including margins and are within level 2 of the fair value hierarchy. The fair values of the bond debt are based on quoted prices and are also classified within level 2 of the fair value hierarchy due to limited trading in an active market.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market price used for financial assets held by the group is the current mid price. These instruments are included in level 1. Instruments included in level 1 at the end of December 2017 are liquid investment grade bonds (analogous for 2016).

The fair value of financial instruments that are not traded in an active market (over-the-counter contracts) are based on third party quotes (Mark-to-Market). These quotes use the maximum number of observable market rates for price discovery. The different techniques typically applied by financial counterparties (banks) were described above. These instruments - FX and IR derivatives - are included in level 2.

If one or more of the significant inputs is not based on observable market data, the derivatives is in level 3. Primarily illiquid investment funds and structured notes are included in level 3.

## Notes - financial report

### Note 12 - Segment reporting: Income statement per operating segments

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
<b>Quarter</b>										
Operating revenue	149	173	57			6	(3)	(5)	204	173
Gain on sale of assets	1	59							1	59
<b>Total income</b>	<b>150</b>	<b>232</b>	<b>57</b>		<b>1</b>	<b>6</b>	<b>(3)</b>	<b>(5)</b>	<b>205</b>	<b>232</b>
<b>Operating expenses</b>										
Cost of goods and change in inventory	(51)	(63)	(10)						(62)	(63)
Employee benefits	(54)	(62)	(20)		(4)	(5)			(77)	(66)
Other expenses	(36)	(45)	(18)		(1)	(5)	3	5	(53)	(45)
<b>Operating profit before depreciation and amortisation</b>	<b>10</b>	<b>62</b>	<b>9</b>		<b>(5)</b>	<b>(4)</b>	<b>(0)</b>	<b>0</b>	<b>14</b>	<b>58</b>
Depreciation and impairments	(4)	(5)	(6)						(10)	(5)
<b>Operating profit</b>	<b>6</b>	<b>57</b>	<b>2</b>		<b>(5)</b>	<b>(4)</b>	<b>(0)</b>	<b>0</b>	<b>4</b>	<b>53</b>
Share of profits from associates	1	1	1		34	27			37	28
Net finance income / expenses	1	(15)	(1)		1	5			1	(10)
<b>Profit/(loss) before tax</b>	<b>8</b>	<b>44</b>	<b>3</b>		<b>30</b>	<b>27</b>	<b>(0)</b>		<b>41</b>	<b>71</b>
Tax income/(expense)	(6)	(6)	1		1	1			(4)	(5)
<b>Profit/(loss)</b>	<b>2</b>	<b>38</b>	<b>4</b>		<b>32</b>	<b>28</b>	<b>(0)</b>		<b>37</b>	<b>66</b>
Result of discontinued operations								(21)		(21)
Non-controlling interests			1			6		(6)	1	1
<b>Profit/(loss) to the owners of parent</b>	<b>1</b>	<b>38</b>	<b>3</b>		<b>32</b>	<b>22</b>	<b>(0)</b>	<b>(15)</b>	<b>36</b>	<b>45</b>

USD mill	Maritime Services		Supply Services		Holding & Investments		Eliminations /discontinued operations		WWH group total	
	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016	YTD 2017	YTD 2016
<b>YTD</b>										
Operating revenue	574	862	57		16	29	(14)	(23)	632	867
Gain on sale of assets	6	62			155				161	62
<b>Total income</b>	<b>580</b>	<b>924</b>	<b>57</b>		<b>171</b>	<b>29</b>	<b>(14)</b>	<b>(23)</b>	<b>793</b>	<b>930</b>
<b>Operating expenses</b>										
Cost of goods and change in inventory	(182)	(376)	(10)		(1)				(194)	(377)
Employee benefits	(214)	(263)	(20)		(19)	(17)			(252)	(279)
Other expenses	(133)	(158)	(18)		(13)	(21)	14	22	(150)	(157)
<b>Operating profit before depreciation and amortisation</b>	<b>51</b>	<b>126</b>	<b>9</b>		<b>138</b>	<b>(10)</b>	<b>(0)</b>	<b>(0)</b>	<b>198</b>	<b>116</b>
Depreciation and impairments	(15)	(22)	(6)						(22)	(23)
<b>Operating profit</b>	<b>36</b>	<b>104</b>	<b>2</b>		<b>138</b>	<b>(10)</b>	<b>(0)</b>	<b>(0)</b>	<b>176</b>	<b>94</b>
Share of profit from associates	4	4	1		49	77			55	82
Net finance income / expenses	6	(28)	(1)		16	4			22	(24)
<b>Profit/(loss) before tax</b>	<b>46</b>	<b>80</b>	<b>3</b>		<b>204</b>	<b>72</b>	<b>(0)</b>	<b>(0)</b>	<b>253</b>	<b>152</b>
Tax income/(expense)	(15)	(15)	1		(2)	2			(16)	(14)
<b>Profit/(loss)</b>	<b>30</b>	<b>65</b>	<b>4</b>		<b>202</b>	<b>73</b>	<b>(0)</b>	<b>(0)</b>	<b>236</b>	<b>138</b>
Result of discontinued operations							(239)	113	(239)	113
Non-controlling interests	1	1	1		52	18	7	31	62	49
<b>Profit/(loss) to the owners of parent</b>	<b>29</b>	<b>64</b>	<b>3</b>		<b>150</b>	<b>56</b>	<b>(246)</b>	<b>82</b>	<b>(64)</b>	<b>201</b>

## Notes - financial report

### Cont note 12 - Segment reporting: Balance sheet per operating segments

USD mill	WWASA group (discontinued operations)		Maritime Services		Supply Services		Holding & Investments		Eliminations		Total	
	31.12 2017	31.12 2016	31.12 2017	31.12 2016	31.12 2017	31.12 2016	31.12 2017	31.12 2016	31.12 2017	31.12 2016	31.12 2017	31.12 2016
<b>Year to date</b>												
<b>Assets</b>												
Deferred tax asset		55	11	15	4		2	5			18	75
Intangible assets		6	163	138	8						171	145
Tangible assets		1 879	187	166	401		2	2			590	2 047
Investments in joint ventures and associates		768	12	13	176		832	479			1 019	1 259
Other non current assets		1	112	108	5		740	147	(19)		838	256
Current financial investments		202					101	83			101	285
Other current assets		22	320	307	62		38	7	(37)	(2)	383	333
Cash and cash equivalents		81	144	161	8		15	54			167	296
<b>Total assets</b>		<b>3 013</b>	<b>949</b>	<b>908</b>	<b>664</b>		<b>1 730</b>	<b>776</b>	<b>(56)</b>	<b>(2)</b>	<b>3 288</b>	<b>4 695</b>
<b>Equity and liabilities</b>												
Equity majority *		1 044	329	330	150		1 497	616			1 975	1 990
Equity non controlling interest *		391	(1)	(1)	55		158	112			212	502
Deferred tax			6	12							6	12
Interest-bearing debt		1 320	196	179	369		54	34	(18)		601	1 533
Other non current liabilities		169	109	120	18		9	7	(1)		135	296
Other current liabilities		89	310	267	71		14	7	(37)	(2)	358	362
<b>Total equity and liabilities</b>		<b>3 013</b>	<b>949</b>	<b>908</b>	<b>664</b>		<b>1 730</b>	<b>776</b>	<b>(56)</b>	<b>(2)</b>	<b>3 288</b>	<b>4 695</b>

\* Presentation of NCI per 31.12.2016 related to investment in Hyundai Glovis has been corrected from WWASA segment to Holding & Investment segment with USD 102 million.

## Notes - financial report

### Cont note 12 - Segment reporting: Cash flow per segment

USD mill	Maritime Services		Supply services		Holding & Investments		
	Quarter	Q4 2017	Q4 2016	Q4 2017	Q4 2016	Q4 2017	Q4 2016
Profit before tax		8	44	3		31	27
Net financial (income)/expenses		(1)	12	1		(1)	(5)
Depreciation/impairment		4	5	6			
Change in working capital		(5)	57	6		(3)	2
Net (gain)/loss from sale of subsidiaries and fixed assets		(1)	(62)				
<b>Net cash provided by operating activities</b>		<b>5</b>	<b>55</b>	<b>15</b>		<b>27</b>	<b>24</b>
Share of profit from joint ventures and associates		(1)	(1)	(1)		(34)	(27)
Dividend received from joint ventures and associates		2	2				2
Net sale/(investments) in fixed assets		(5)	2	(5)			(1)
Net sale/(investments) in entities and segments			107			(1)	1
Current financial investments				3		(2)	16
Net changes in other investments			(23)				
<b>Net cash flow from investing activities</b>		<b>(3)</b>	<b>88</b>	<b>(4)</b>		<b>(37)</b>	<b>(9)</b>
Net change of debt			(140)	(6)			(2)
Net change in other financial items		(3)	(5)			(1)	
Net dividend from other segments/ to shareholders		(1)				(13)	(9)
<b>Net cash flow from financing activities</b>		<b>(4)</b>	<b>(145)</b>	<b>(10)</b>		<b>(13)</b>	<b>(12)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(2)</b>	<b>(1)</b>	<b>2</b>		<b>(23)</b>	<b>3</b>
Cash and cash equivalents at the beg. of the period		145	162	6		38	50
<b>Cash and cash equivalents at the end of period*</b>		<b>144</b>	<b>161</b>	<b>8</b>		<b>15</b>	<b>54</b>

Cash flow from discontinued operation (WWASA group) see note 6.

## Note 13 - Business combinations

With effect from 26 September 2017, the group increased its shareholding in NorSea from 40% to approximately 72%. Eidesvik Eiendomsinvest AS and Simon Møkster Eiendom AS will hold approximately 12% each, while management in NorSea controls the remaining 4%. Following the transaction, Wilhelmsen acquiree a small portion of management controlled shares, 2.11 %.

Total consideration for the Wilhelmsen's additional 32% investment in NorSea is NOK 545 million (USD 70 million). The acquisition from management increased the total consideration with USD 4 million.

The investment is financed through existing liquidity and funding reserves. The group originally acquired 35.4% of the shares in NorSea in July 2012, and increased to 40% ownership in April 2014. In addition, the group has USD 18 million in loans to NorSea.

The acquisition balance from NorSea group is consolidated at the end of September 2017 and a part of the segment "Supplier Services" . With effect from the fourth quarter 2017, NorSea will be reported as a subsidiary in the group accounts. Total income, cost and balance sheet items of NorSea group will then be consolidated on a 100% basis, with non-controlling interests deducted on a net basis.

NorSea has previously been reported as associate in the group accounts Accounting loss of the disposal of associate is USD 40 million, mainly due to change in NOK/USD from 2012 to 2017.

The Purchase Price Allocation is preliminary due to final valuation of fair value of assets.

### Details of net assets acquired and goodwill are as follows:

#### USD mill

Cash	74
Option fair value *	2
Non-controlling interest	53
Fair value of previously held equity interest	80
<b>Total purchase consideration</b>	<b>208</b>
Fair value of net identifiable assets acquired (see below)	208
<b>Goodwill</b>	<b>0</b>

\* The option is related to remaining part of the shares, currently held by non controlling interests.

### The preliminary purchase price allocation are as follows:

USD mill	Fair value
Intangible assets	10
Property, fixtures and vessels	417
Other long-term assets/ associate and joint arrangements	185
Other current assets	67
Cash and cash equivalents	5
Non current interest-bearing debt	(352)
Other non-current liabilities	(4)
Other current liabilities	(121)
<b>Net identifiable assets acquired</b>	<b>208</b>

### Summary of acquisition

The group recognises non-controlling interests in an acquired entity at fair value. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in NorSea group, the group elected to recognise the non-controlling interests in at its proportionate share of the acquired net identifiable assets.



## Cont note 13 - Business combinations

### Revenue and profit contribution

The acquired business contributed revenues of USD 53 million and net profit before non-controlling interests of USD 3,9 million to the group for the period from 26 September to 31 December 2017.

If the acquisition had occurred on 1 January 2017, consolidated pro-forma revenue and profit before non-controlling interests for the period from 1 January to 26 September 2017 would have been USD 186 million and USD 12 million respectively.

### Purchase consideration - cash outflow

Cash consideration September 2017	74
Less balance acquired	
Cash	5
Net	5
<hr/>	
Net outflow of cash => investing activities	<b>(69)</b>

### Acquisition-related costs

Acquisition-related costs of USD 1 million that were not directly attributable to the issue of shares are included in other expenses in income statement and in operating cash flows in the statement of cash flows.

### Reportet net profit from NorSea group as an associate in 2016 and up to conolidation 26 September 2017 are:

	<b>2017</b>	Q1	Q2	Q3	YTD	
Net profit from NorSea group as an associate a part of segment Holding & Investments	USD mill	2	1	1 (40)	5 (40)	
Loss upon consolidation of the former NorSea Group						
Net profit from NorSea group as an associate a part of segment Holding & Investments	<b>2016</b>	Q1	Q2	Q3	Q4	YTD
	USD mill	5	2	2	4	0

## Notes - financial report

### Note 14 - Related party transactions

WWH delivers services to WWLASA. These include primarily human resources, tax and treasury up to 30.06.2017, and in-house services such as canteen, post, switchboard, accounting and rent of office facilities.

Generally, Shared Services are priced using a cost plus 5% margin calculation, in accordance with the principles set out in the OECD Transfer Pricing Guidelines and are delivered according to agreements that are renewed annually.

In addition Maritime Services have several transactions with associates. The

contracts governing such transactions are based on commercial market terms.

### Note 15 - Contingencies

The size and global activities of the group dictate that companies in the group will be involved from time to time in disputes and legal actions.

The group is not aware of any financial risk associated with disputes and legal actions which are not largely covered through insurance arrangements.

Nevertheless, any such disputes/actions which might exist are of such a nature that they will not significantly affect the group's financial position.

### Note 16 - Events occurring after the balance sheet date

No material events occurred between the balance sheet date and the date when the accounts were presented providing new information about conditions

prevailing on the balance sheet date.

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